

#2005-78

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

First Horizon Home Loan Corporation,
Irving, Texas,
an operating subsidiary of

First Tennessee Bank National Association,
Memphis, Tennessee

AA-EC-05-49

STIPULATION AND CONSENT ORDER FOR CIVIL MONEY PENALTY

WHEREAS, the Acting Comptroller of the Currency of the United States of America (“Comptroller”), through her National Bank Examiners, has supervisory authority over First Horizon Home Loan Corporation, Irving, Texas (“First Horizon”), an operating subsidiary of First Tennessee Bank National Association (“Bank”), Memphis, Tennessee;

WHEREAS, pursuant to 12 U.S.C. § 1818(i)(2) (as amended), the Comptroller intends to initiate a civil money penalty action against First Horizon through the issuance of a Notice of Assessment of Civil Money Penalty for violations of the customer information security protections set forth in Appendix B to 12 C.F.R. Part 30 (the Interagency Guidelines Establishing Standards for Safeguarding Customer Information);

WHEREAS, in the interest of cooperation and to avoid the costs associated with future administrative and judicial proceedings with respect to the above matter, First Horizon, without

admitting or denying any wrongdoing, desires to enter into this Stipulation and Consent Order (“Order”); and

NOW THEREFORE, pursuant to the authority vested in her by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association, chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et seq.

(2) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2) and within the meaning of 12 U.S.C. § 1818(i)(2) (as amended).

(3) First Horizon is an operating subsidiary of the Bank and, as such, is subject to regulation and supervision by the Comptroller. See 12 C.F.R. 5.34(e)(3).

(4) The Comptroller is “the appropriate Federal banking agency” regarding First Horizon as that term is defined in 12 U.S.C. § 1813(q) and within the meaning of § 1818(i).

ARTICLE II

ORDER FOR CIVIL MONEY PENALTY

(1) Without admitting or denying any wrongdoing, First Horizon hereby consents to the payment of a civil money penalty in the amount of one hundred eighty thousand dollars (\$180,000), which shall be paid upon execution of this Order to the Treasurer of the United States.

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000, with a copy of the check sent to Director, Enforcement & Compliance Division, 250 E Street, SW, Mail Stop 8-10, Washington, DC 20219.
- (b) If a wire transfer is the selected method of payment, it must be sent to the Comptroller's account #2071-0001, ABA Routing # 021030004. A copy of the wiring instructions shall be provided to the Director, Enforcement & Compliance Division, at the address listed in subparagraph (a) above.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i)(2) (as amended).

ARTICLE III

WAIVERS

- (1) First Horizon, by signing this Order, hereby waives:
 - (a) the right to the issuance of a Notice of Assessment of a Civil Money Penalty pursuant to 12 U.S.C. § 1818(i)(2) (as amended);
 - (b) any and all procedural rights available in connection with the issuance of the Order;
 - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(h) and (i)(2) (as amended) and 12 C.F.R. Part 19;

- (d) all rights to seek any type of administrative or judicial review of the Order;
- (e) any and all rights to challenge or contest the validity of the Order and;
- (f) any and all claims for fees, costs or expenses against the Comptroller, or any of her agents or employees, related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of the statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(2) First Horizon declares that no separate promise or inducement of any kind has been made by the Comptroller, or by her agents or employees, to cause or induce First Horizon to agree to consent to the issuance of this Order and/or to execute this Order.

(3) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller.

ARTICLE IV

CLOSING

(1) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting First Horizon, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(2) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through her authorized representative whose hand appears below, and shall remain

effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(3) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2) (as amended), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or on the United States.

Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by First Horizon under its supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. First Horizon expressly acknowledges that neither it nor the Comptroller has any intention to enter into a contract. First Horizon also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of its supervisory responsibilities.

(4) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED.

/s/ Grace E. Dailey
Grace E. Dailey
Deputy Comptroller
Large Bank Supervision

6/30/05
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of First Horizon, has hereunto set his hand on behalf of First Horizon.

/s/ Gerald L. Baker
President and Chairman of the Board

June 28, 2005
Date